

DRIVE YOUR IDEA TO ENTREPRENEURIAL SUCCESS

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<p>Abstract</p> <p>The dominant economic situation - recession - is difficult time for new business ideas, but this also is the best possible time to innovate new and develop the old ones. It is time to tie the idea into a profitable business proposal and be prepared for the coming economical growth.</p> <p>The thesis is about developing a step by step model with useful tools for wanna-be and start-up entrepreneurs intending to build a company with successful exit on their mind. The model was created by conducting a qualitative literature research about most important factors effecting to companies' success and growth. Also existing guides for wanna-be entrepreneurs were studied.</p> <p>As a result of the research work and composers' own experience a book - Drive your idea to entrepreneurial success - including the step-by-step model was composed. The composing project of a book is a part of the thesis.</p> <p>The book presents the model from breeding the idea to harvesting it as a project - with certain begin and end. The book provides readers with needed tools during the process. This gathered information helps to move on the path of growth and seek for the needed funding. At the end readers have a comprehensive package of information about the business proposal around the idea, information about developing the business model and conducting a business plan.</p> <p>The book is also meant as training and teaching material in business development.</p>		
<p>Keywords</p> <p>success, growth, entrepreneurship, business development, business plan, business idea, development tools, business model, pitching, value net, enterprise establishment</p>		
<p>Miscellaneous</p> <p>The book is as separate appendix, 99 pages</p>		

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<p>Tiivistelmä</p> <p>Tämän hetkinen taloudellinen tilanne - lama - on vaikeaa aikaa liikeideoiden läpiviemiseen. Samaan aikaan se on kuitenkin paras mahdollinen aika ideoida ja luoda uutta sekä kehittää vanhaa liiketoimintamallia. Nyt on aika kehittää hyvistä ideasta kannattavaa liiketoimintaa, valmistautua tulevaan talouden kasvuun.</p> <p>Opinnäytetyön tavoitteena oli selvittää kuinka kehittää liikeideasta kasvukykyinen yritys ja luoda malli aloittavan yrittäjän avuksi yrityksen elinkaaren alkuvaiheissa. Opinnäytteessä selvitettiin edellytyksiä menestymiseen ja kasvuun vaikuttavia tekijöitä.</p> <p>Tutkimus suoritettiin laadullisena kehitysprojektina. Opinnäytteessä yhdistettiin kirjallisuudesta tehdyt havainnot ja opittu sekä käytännön kokemus malliksi aloittavan yrityksen elinkaaren alkuvaiheiden suunnitteluun.</p> <p>Opinnäytteen tuloksena kirjoitettiin kirja – Drive Your Idea to Entrepreneurial Success, jossa vaihteellinen malli työkaluineen esitellään. Kirjan kirjoittamisprosessi on yksi osa opinnäytetyötä.</p> <p>Kirja esittelee yrityksen projektimallina idean kelpoisuuden arvioimisesta ja kehittämisestä liiketoiminnaksi ns. sadon korjuuseen saakka. Mallissa yrityksestä irtautumiseen pyritään jo ennen varsinaisen kasvun vaihetta. Yrittäjälle on laadittu kattava tietopaketti idean arvioimista, liiketoimintamallin kehittämistä sekä liiketoimintasuunnitelman kirjoittamista varten. Tiedon ja työkalujen avulla yritys pystyy siirtymään helpommin kasvun polulla eteenpäin.</p> <p>Kirja on tarkoitettu myös koulutus- ja opetusmateriaaliksi liiketoiminnan kehittämiseen.</p>		
Avainsanat (asiasanat) menestys, kasvu, yrittäjyys, liiketoiminnan kehittäminen, liiketoimintasuunnitelma, liikeidea, kehitystyökalut, liiketoimintamalli, arvoverkko, yrityksen perustaminen		
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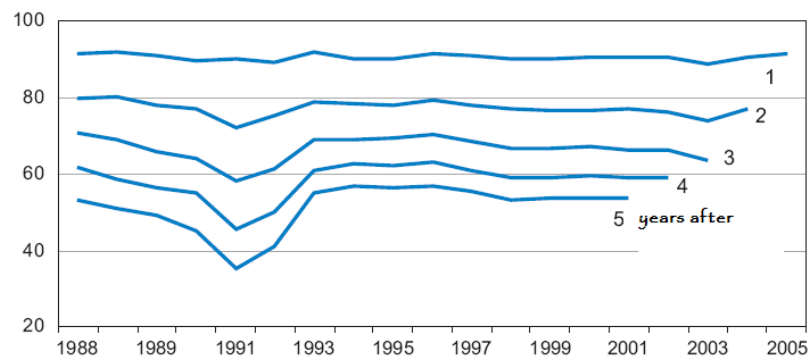
1 Introduction

1.1 Background

The Confederation of Finnish Industries EK's aim is i.e. to raise the number of new established businesses up to 33 000 before end of year 2010 from today's 22 000. EK wants to increase the number of successful SM – enterprises in addition by increasing the growth-orientation among the Finnish enterprises. These ventures should also be more profitable in order to create sustainable growth. Only companies that grow sustainably, employ more people in the long run. EK's aim is to increase also the total number of companies with 25 000 – 30 000. This means Finns have to be more innovative in order to make new ventures. (EK:n PK-Ohjelma 2010 2008.)

In a study made by the Ministry of Trade and Industry 8/2007 (current the Ministry of Employment and the Economy) the size of growing medium sized companies (employees 50-499) had decreased between 2000 and 2004. This is alarming because these companies are in a key position when it comes to the growth of whole economy and enhancement of employment.

The first three years is the most crucial period of time in enterprise's survival. After 3-years period of time a third of them has finished their activity. In Finland it's typical that after five operation years there are only 50-55 percent of companies in action. At the lowest the survival degree was in recession years 1990-1992. (Hyrsky 2007, 60.)



Source: Enterprise and office register, Finland Statistics

FIGURE 1. Enterprises' survival degrees in 1987–2005, operating ones' portion of start-ups

Järnstedt claims that the most affecting problem in developing the enterprise in the start-up phase is that entrepreneurs don't have sufficient know-how or resources to commercialize the business idea. This leads to the fact that entrepreneurs choose their strategy based on profitability by reducing costs and the growth strategy is forgot. (Järnstedt 2005, 14.)

The objective of this study is to promote increasing the number of growth-orientation enterprises and start-up survivals in Finland. We composed a book (appendix 1) as a useful tool offering a ready roadmap, project enterprise, including design and planning tools to start-up enterprises. Project enterprise is designed to growth oriented entrepreneurs as base for creating an idea from the early beginning to exit phase. It helps entrepreneurs in clarifying the business proposal to themselves as well as others. Material is also meant to be training material when teaching and coaching business development.

1.2 Research Objectives and Problem

The world is bulging of books written and internet full of information of business. Screening the essential and most important information is very challenging. Most literature is focusing on some specific area in business and generally related to corporate not entrepreneurial environment. There isn't any book combining the holistic view of entrepreneurship with development tools for building an idea to entrepreneurial success.

The objective of the development project was to create a step by step -model including development tools to a successful start-up for entrepreneurs. We emphasize the planning so that an entrepreneur understands all needed facts and the meaning of them. We point out idea evaluation, the importance of business plan and its presentation as well as the market and customer knowledge.

Theory is built on the components of success and growth, which are essential for all growth seeking entrepreneurs to internalize.

The main research question is:

How to create a growth oriented enterprise start-up and develop it to successful exit?

This question is divided to following sub questions:

What elements need to be estimated and evaluated during the start-up process?

The first sub-question is for a discipline to go through all important elements and operations in certain order in each early stage phases of the enterprise's life cycle. This helps a wanna-be entrepreneur to increase the know-how and be prepared to attract investors.

Which tools are needed in this start-up development process?

The second sub-question emphasizes the usefulness of different tools in this start-up process. We introduce tools, which help entrepreneurs to find and solve problems. It helps entrepreneurs to react to those findings beforehand. Ideally it develops or changes one's own thinking in order to evolve and recognize the business field and its strengths, weaknesses, opportunities and threats.

The objective of this thesis is to answer the research questions finding out the most important factors and tools for entrepreneurial success. As a result there is composed a book of a practical model, project enterprise, to help entrepreneurs to process their plan to follow in every day activities. The book

is a tool for evaluate and develop the business idea as whole and guide entrepreneurs to the right path in thinking and development work.

This study is aimed to both growth oriented wanna-be entrepreneurs and business students. The research questions are set to wake interest in both contingents. The focus is in planning and creating the start-up so that it has the prerequisites to commercialized idea and growth. Out of scope are left technology research and development, infrastructure, investments, product development and production elements. We view things from entrepreneurial perspective and not from large corporations'.

1.3 Research method

This study's research method is qualitative development work. It utilizes the methods of literature research. This research combines information and knowledge to practical model of managing the enterprise's early stages of life cycle. Focus is on the literature with main areas of business knowledge:

- strategies
- marketing
- economics; budgeting, financing
- management/ leadership
- factors enabling the growth and success

The most up-to-date information is mostly discovered in papers and articles in library networks.

As a result of developing work was composed a book for wanna-be entrepreneurs. The book reflects the findings from literature search combined with skills and experience of the authors.

1.4 Structure of the Thesis

This report is divided in four main chapters in order to present a logical flow of thinking. The first chapter tells about the background of the thesis, the research questions, literature and information search method. The second chapter reviews the findings of literature research. The third chapter is about

composing the book pointing the most important findings. The fourth *chapter is discussion* about conclusions of this thesis work and further developing.

Concepts are represented in the context.

1.5 Literature Review

The main information sources were books and articles published between years 2004-2009. The topics looked for were either business area specific or handled the success factors in growth business in general. Articles were

mainly searched through JAMK's Nelli-portal using electronic services like EBSCO or ELSEVIER.

We faced some problems to find out right phrases (appendix 2) to search for articles dealing i.e. the success of business. But with lots of trying and also luck we managed to find valuable source articles, internet releases as well as good books.

1.5.1 Literature Search Strategy and Results

We used different methods as alarms and rss-feeds in different data bases.

We also followed other than network media. Our main data sources were:

1. Libraries' databases Janet and Helecon

E.g. Helecon/ THES-database includes over 10.000 master's theses of Helsinki school of economics since year 1922, we looked for the newest ones and also books of different business areas

2. Domestic and foreign journal portals

- ABIProQuest, for example Helecon/ FINP (Finnish Periodicals Index in Economics and Business) data base follows over 300 domestic journals and both in Kauppalehti and Taloussanommat published economy life article references for sensing the weak signals in future's success factors
- ELSEVIER Science Direct, which has full-text collection from the core scientific literature, more than 2,500 journals and almost nine million full-text articles are available online.

- EBSCO Business Source Elite,
 - EMERALD - is world's leading English language publisher of academic and professional management literature.
3. e-books: ebrary and Mylibrary include fresh books
 4. Special data bases: Marketline, releases and publications of Ministry of Employment and the Economy; the latest information how things have gone in the near past
 5. Internet search engines and sites: ytj.fi, prh.fi, finlex.fi, we need real time information of legislation
 6. Experts and lecturers we have had visiting; they have the real time and relevant experience and knowledge
 7. Radio and TV; what happens globally and how it possibly affects to business and success in the future

1.5.2 Criteria for material used

The economic life is so fast changing that some things that were valid yesterday, aren't relevant in the near future. We used latest information in English and Finnish literature and other material. Some good sources published before were accepted, if new couldn't be found. Things, legislation and other factors like economic situation, as we have seen, can change very rapidly. Though the basics as strategies and definitions are quite the same so the older information is still due.

Articles and books read are of European or North-American origin. So the facts affecting business success factors would be applicable/ adaptable. That would minimize the business cultural aspect. We did not pay attention to cultural differences in our work and we try to generalize the circumstances. Most of the latest material used is in English.

1.5.3 Principles of Relevant Material

The material accepted was written by reliable authors, whose education and occupational background and/ or society/ company were informed. We checked authors' backgrounds also from some other sources than the original mainly using Google. Also the matter, that author was mentioned or referred in reputable business publications convinced us. If the information was secondary, we researched the original sources. We relied on information or

material in internet when it was evaluated by a publisher, journalist or were peer reviewed. We accepted also material published by a company or sponsor that is known academic authority. We accepted the refereed, peer reviewed or scholarly articles.

Information that is thorough researched, objective and reliable had our acceptance, that is it is scientific and includes a mention of the extent and has no shortage of essential information. Information was enough deep, not only basics and the material have bibliography and references have always the connection to sources, which we always checked. We also trusted in the material that had correct, exact and precise details and had no misspelling, grammar- or typographical errors. When there was material in the internet in question we required also that it was updated as well as archiving date available.

2 How to Define and Measure Entrepreneurial Growth and Success?

Entrepreneurship in its nowadays format was presented by Joseph Schumpeter, the pioneer in linking the dynamic aspect of entrepreneurship to innovations and economic development. He impressed it in 1950's saying that entrepreneur is willing and able to convert a new idea to a successful innovation; new products and new business models. (Bosma, Zoltan, Autio, Coduras, and Levie 2009, 8-9.)

According to GEM report (2008) in Finland there is highly innovative activity having unique products and/or no competitors and/or latest technology, in 11 % of the early-stage entrepreneurship. On an average only 3 - 5 % of Finnish enterprises are growth-oriented or seek high growth. Prevalent definition is that growth of revenue is min over 10 % per year. (Stenholm, Pukkinen, Heinonen and Kovalainen 2008, 9.)

2.1 What growth and its preconditions are?

There are tens of types and criteria to define the growth enterprise. The growth and development are measured by financial key ratios, but also by quality factors.

The growth can be viewed quantitatively or/ and qualitatively. Quantitative measures are for example the long-term growth of revenue, growing number of employees and the market value of the enterprise. Another approach is to look at qualitative growth. That is the organization renews and learns as well as controls system's development. Measures among others are development of the business model, ownership expansion, occupational owners like business angels, venture capitalists and institutional investors as well as the entrepreneur's wealth, growing income. Internationalization also is one of the growth measures.

The growth can be achieved with

1. Right executable strategy; pursuing and managing alliances, acquisitions and other strategic relationships taking into account the business risks associated
2. Having a capability to attract capital; build and sustain customer focus, develop core competencies, capitalize technology solutions as well as design the organization and processes
3. Commitment to create an exceptional employee culture and transitional leadership

The enterprise can grow in several ways either through:

- generic growth by getting bigger market share or finding new markets
- diversification by reaching for wider market area with new product or service and
- acquisition or merger = buyouts

Founding a start-up company for fast growth with a planned exit is a difficult challenge. Help and support is needed to achieve a high exit value. Right tactics, operations and management in addition to good ideas and clear vision are crucial to the success.

2.2 What success and its preconditions are?

Successful business is built and lead so that profit maximized is possible combining different elements effectively. That is seeking and using resources effectively and produce added value to customers. It leads to good financial efficiency and better competitiveness. And it's showed in developing revenue, customer base and market share.

The most obvious measure of business success is profit. The way that a business deals with its stakeholders, reputation, image and brand that it generates may also be part of a business success measure. Successful business gains profit to its shareholders and genders welfare to its stakeholders (a person, group, organization, or system who affects or can be affected by an organization's action). A successful company shows also controlled growth.

Enterprises measure their performance in sales, profitability, and other key areas e.g. increasing profit margins, paying down debt and increasing the effectiveness of advertising analyzed of financial statements. Financial performance are supplemented with meaningful "not in money" Key Performance Indicators (KPIs). KPIs measure enterprise's stated business strategy, not only progress. Every enterprise chooses its own KPIs defined after what are its operations, measuring processes and activities.

Success is measured by all what is done within a company. When business plan, milestones, goals and objectives are well defined and measured, the success is easier achieved. Based on the gathered materials the success of an enterprise can though not be predicted in before hand. There is no basic formula for success in business. That's because no challenge in business is identical to any other. (Measuring Success In small Business and Entrepreneurship 2008; Brodsky 2008.)

There are many factors that affect on success and not a minor is the personality of an entrepreneur. In researches and literature several personality traits were found to have a statistically significant relationship with the motivation to grow, skills and growth strategy (Heikkinen 2007, 44). Entrepreneurs are e.g. more active, brave, trusting, flexible, calm, determined,

confident and issue-oriented than others (Heikkinen 2007, 96; Lehti, Pyykkö and Rope 2007, 58-60).

When studying books and articles of talented, succeed and experienced businessmen, we have found that entrepreneurs are innovative, motivated, committed visionaries and good team builders, who are passionate for what they do.

In his book *Good to great* (2001) Jim Collins comes out that the most important things are to see the facts and concentrate to the essential. In his research he found that they who developed their enterprises from good to great were in at least some amount hedgehogs, which means the knowing and perform one thing best.

Hedgehog concept is not about objective, strategy or plan to be developed to the best. It's about understanding, what one can and can not be the best at. When developing a hedgehog concept, three circles have to intersect:

1. In what we can be the best in the world? This isn't necessarily only the question of the core competence.
2. What affects to our economic result? What are the most effective ways to get cash flow and profitability sustain brilliant?
3. What are we truly passionate in? (Collins 2001, 141-144.)

People have different skills and abilities that together with out coming conditions like market forces and technologies create the enterprise's success. As Markman and Baron (2003) concluded in their research that one important component in the ultimate success is wanna-be entrepreneur's skills, talents, abilities and characteristics necessary for identifying opportunities and founding new ventures.

Innovation is one critical factor in success. Innovativeness is also seen as the basis of economic growth and brand's absolute requirement. (Lampikoski and Lampikoski 2003, 35.) Growth seeking entrepreneurs are more buccaneering and possibility to become wealthy is important to them when starting the

business. They are also piggybacking new business opportunities more often than others. (Pajarinen, Rouvinen and Ylä-Anttila 2006, 24.)

But if growth wanted, there are some important drivers that should be aware of. These are desire and ability to grow, identified competitive advantage and market opportunity, which are affecting to motivation to grow (Kasvun ajurit 2005, 6).

According to i.e. *Candida Brush's* (2008) article all the entrepreneurs that have made a success have at least succeed to:

1. *develop a clear vision of the direction where the company is aiming*
2. *manage cash creatively, or learn to "bootstrap"*
3. *persuade others to commit to venture using their social skills*

Also Guy Kawasaki emphasizes in his book *The Art of The Start* (2004) that a company that will make success should among all other things *make a meaning*. Because companies that make a meaning by increasing the quality of life or they correct right from wrong or prevent the end of something good, they will success sooner or later. A meaning can be understood as a *vision as well*. Kawasaki also points out the *importance of pitching*. An entrepreneur should be a storyteller that can tell his or her business proposition at any time, precisely, shortly and clearly. This is a skill that can be gained by everyone and it can be rehearsed. (Kawasaki 2004, 4-62.) Sharon Ballard emphasizes also the pitching, storyboard and business plan presentation in general in her launch pad program (2006).

Kawasaki also writes about the importance of a specific, *simple business model*. The successful business model innovates the way customers perceive the value. It is important to know the business branch or market where the company is heading and find a niche to direct limited resources to. It is no use of "hassling" everywhere wasting resources without determined goal.

Many sources refer to the importance of *a proper business plan* (Alstete 2008; Ballard 2006; Stern 2008; Fried et al. 2009; Swanson et al. 2003). It is more like the process that need to go through in order to be able to write a business

plan. While designing the plan the most important elements of the business are examined. It's not so much for the result but the process and the thinking work that is important and valuable. The whole process of writing a business plan forces an entrepreneur to focus and to test the basic assumptions of the business idea.

As Greg Favalora (2000) writes in his article, an entrepreneur must be committed to his or her business idea, because the idea will be questioned many times before it breaks through, if it breaks through. Also one of the most important things according to Favalora is entrepreneur's persistence. In addition carefully planning process as well as getting to know the business environment seem to be the requirements to success.

In Jeffrey W. Alstete's (2008) research, which i.a. looked for advices from successful entrepreneurs to wanna-be and start-up entrepreneurs the most frequently mentioned advices were to thoroughly research the business first (21 percent), followed closely by the recommendation to have passion or commitment (19 percent) and proper planning (also 19 percent). Alstete interviewed 149 established entrepreneurs during the years 2003 - 2006 in the metropolitan New York area. This research result supports both Lussier's research done in 1995 as well as books on entrepreneurship, which highlight the importance of proper planning before starting a new enterprise.

Tom Shields from Woodside Fund says in his article Building a Product Roadmap (2008): "Building a product roadmap can substantially increase your chances of getting funded, because investors can see the potential applications, without losing sight of the immediate goals". We say that the best potential with a business idea by building a business roadmap is building the business in specified way, with a framework called project enterprise.

After what Richard E. Albright says about roadmap is in his article Roadmapping Convergence (2003), we want to apply it to the whole company's business; the roadmap describes company's future environment, objectives to be achieved, and plans to get there. It lays out a framework as a way of understanding how the pieces of business fit together. The roadmap

can be used as a marketing tool, it can show better the real needs and gives also tools to meet the need.

Swanson and Baird say in their guide for the high-tech entrepreneur that success-contribution elements are (2003, 77):

1. Management team
2. Markets and customers
3. Products or services
4. Business plan
5. Funding

Winning business strategies are based on company's competitive advantage. Competitive advantage is build from the core competencies and the innovative way of using them to beat the competitors. The enterprises in the same industry having the same objectives get there in very different ways. At first the best business idea should be selected and then focus on the decisions and activities which support them.

Global Entrepreneurship Institute found six competitive advantages that have been successful for professional entrepreneurs leading early stage, high growth-potential enterprises:

1. Branded CEO - brings in expertise and connections
2. Code - control over intellectual property
3. Connections - relationships based on agreements with partners, alliances, suppliers, buyers etc.
4. Content - information storages
5. Commerce - disruptive technology's or innovation's marketing traction
6. Cash - attracting investors (What is a Competitive Advantage? 2007.)

The strategy contains a vision for the company and a set of critical success factors (CSF) - the processes that must be performed well for the business to realize its vision. Key Performance Indicators -measurements should relate to these critical success factors. Financial performance measurements should be supplemented with meaningful KPI measurements in:

- Resource performance
 - hours of training/ employee
 - employee turnover
 - and absence rates
 - processing error rates
 - percentage of facility utilization
 - employee satisfaction
- Process performance
 - relates mainly to cost, quality and cycle time
 - includes the time it takes to manufacture a product, serve a customer, fill a requisition, process returned products, etc.
- Market performance
 - how company can be more attractive to its customers
 - include customer retention, customer satisfaction, number of new customers
 - rates of on-time delivery
 - levels and types of complaints etc. (Business success: you get what you measure 2009.)

Every enterprise can find one key ratio that has the most meaningful denominator, which helps to understand the operation's economical conformities better (Collins 2001, 155).

Norm Brodsky (2008) writes in his article *Secrets of a \$110 Million Man* that building a successful business is not an end in itself. It is a way to create a better life for you and those whom you love. You need to do the life plan first and then keep revisiting it, to make sure it's up to date and your business plan is helping you achieve it. That habit will prove to be the most important of them all.

Table 1. Summary of Findings

Element of Success	Researcher/ Author
Entrepreneur's personality, talents, characteristics; innovativeness	Favalora 2000; Heikkinen 2007; Lampikoski and Lampikoski 2003; Lehti et al. 2007; Markman and Baron 2003
Vision	Brush 2008; Kawasaki 2004
Planning; proper business plan;	Albright 2003; Alstete 2008; Ballard

process and thinking; roadmap	2006; Brodsky 2008; Fried et al. 2009; Shields 2008; Stern 2008; Swanson and Baird 2008;
Storytelling, pitching	Ballard 2006; Kawasaki 2004
Business model (- product or service)	Kawasaki 2004; Swanson and Baird 2003
Commitment (idea, business)	Alstete 2008; Favalora 2000; Lussier 1995
Research (markets, customers; environment)	Alstete 2008; Favalora 2000; Lussier 1995, Swanson and Baird 2003
Management (team)	Albright 2003; Alstete 2008; Brodsky 2008; Fried et al. 2009; Shields 2008; Stern 2008; Swanson and Baird 2008; Global Entrepreneurship Institute 2007
Funding, cash management	Brush 2008; Swanson and Baird 2008; Global Entrepreneurship Institute 2007; Kawasaki 2004

These findings have been taken to our most important areas to sit down in enterprises life cycle's first curves. Development tools are chosen based on our own experience of best suiting to different functions.

Chosen tools in the Driving the Enterprise to Success

- 6 thinking hats for idea development and innovativeness
- Hedgehog concept to find the best, profitable idea
- SWOT and Rob Ryan's 4 step dance for evaluating the business idea
- Rob Ryan's Dog food test to help to evaluate either a new product or business idea
- Value network analysis to identify the market potential and possible value gaps and bottlenecks
- Competition matrix and Porter's 5 force model to analyze current and future market situation
- Break even analysis to estimate the profit gearing

- Pitching to crystallize the business proposal and to be able attract stakeholders when ever needed useful questions to business model formulation
- Sunflower model by Rob Ryan to identify the key elements of the company; core competence, products and markets
- The story of the venture with eye/ear word tool

3 Project: Drive Your Idea to Entrepreneurial Success

3.1 Background

Most of the business literature is written more from corporate perspective and less is written from entrepreneurship. The literature research revealed that there is a lack of book emphasizing the pathways to entrepreneurial growth and success. Also the lack of tools introduced in real usage context from small entrepreneur's perspective could be noticed.

In this book attention is paid to how to evaluate the business idea and to create the value chain, in order to innovate the idea and make it successful aka growing and profitable business. As a result of this work there is a pathway, project enterprise, to follow – a path that helps an entrepreneur to pay attention to all vital aspects of a business flow. The roadmap itself won't make a business to be successful, if it's not really creating any new value to its end users. The roadmap helps to execute the new idea of a business and to see what all need to be considered. It also helps to ask the right questions. The book is meant to be implemented as e-book and also printed.

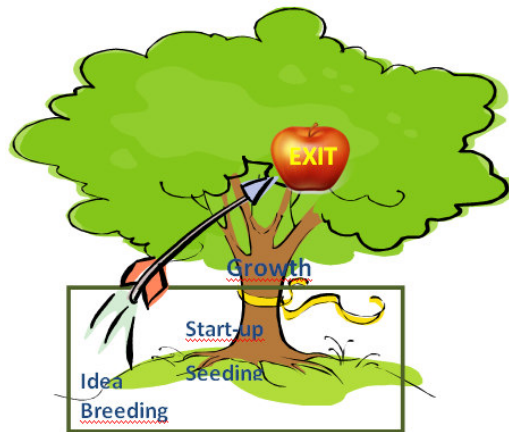


FIGURE 2. From Idea to exit

3.2 Phases and Timetable

The idea of the book came up already in autumn 2007. We noticed that there was a lack of business book that contains basic information about different business areas from entrepreneur's perspective and the early stages of the company's life cycle. We were also fascinated about the facts affecting to success. That gave us a mission to find out what had been written about these topics before.

The topic lived and refined along the reading and studying process. Autumn 2008 we presented the mind map (appendix 3) about the book. It explained our idea of the content. Originally our aim was to compose an e-book. The topic continued to sharpen while the literature research continued.

January 2009 we decided the main contents of the book. We intended to create a model for wanna-be entrepreneurs that would help them to pay attention to right things around them when evaluating if the business proposal has potential for growth. We present tools which to be used along the process. We found it also important to emphasize the meaning of presenting the business proposal to other instances like investors, partners and customers.

We didn't pay attention to technological aspects of businesses because we wanted to create a model that is not industry specific. Another important

aspect we took with was the importance of value networks and potential in the market that should be in high priorities in the model.

Once the mainframe of the book was decided the literature search continued. The composing work was started in the beginning of March 2009 and it continued until the end of June 2009. The original objective was to get finished in the end of May, but couldn't reach that goal due to dominant situations.

Topic	autumn/ 2007
Refining the topic	winter/ 2007-2008
Mindmap	autumn/ 2008
Contents	January/ 2009
Searching the material	=> all the time, beginning from 1.10.2008
Starting to compose the book	2.3.2009
End of composing work	8.9.2009
Quotations to publisher	autumn/ 2009
Publication of the book	autumn/ 2009

3.3 Structure of the Book

Introduction of the book:

- i Pitch
- ii Executive Summary
- iii How to use this book
- iv Entrepreneurials

Project Enterprise

Stage 1: BREEDING - Research and Development Stage
1.Thinking about Strategies

2.Idea - Opportunity

2.1. From Idea to Innovation?

Tools: 6 thinking hats

Hedgehog concept

2.2 How then Evaluate and Develop the Business Idea?

Tools: SWOT

4 Step dance

Dog food test

3.Get to Know Your Target Markets

3.1Research the Market

3.2 Understand Your Customers

3.3 Know Your Competitors

Tool: Competition matrix

3.4 Get to Know the Business Field You are Heading

Tool: Porter's 5 forces analysis

3.5 Value Chains and Value nets

Tool: Value net analysis

4.Business Model Formulation

Tool: Sunflower model

5.Building Successful Team

Tool: Team building matrix

Job description

6.Managing Product's Life

7.Pitch your business idea

8.Financial Projections

8.1 Profitability Accounting

8.2 Break Even Analysis

8.3 Financial Planning

9.Write the Story of Your Venture

Stage 2. SEEDING - START UP Stage

10.Founding the Enterprise

Tool: Brand Envelope

11.Protecting the Idea

12.Financial Reporting

12.1 Financial Statements

12.2 Financial Efficiency

13.Preparing Your Marketing Strategy

13.1 Marketing Mix in Strategy Formulation

Tool: 7 "P's" of marketing mix

13.2 The Early Stage of Markets and Its Special Features in Marketing

13.3 How You Treat Your Customers?

Stage Exit

14.Creating the Business Exit Strategy

14.1 Enterprise Valuation

14.2 Due Diligence

15.Write the Business Plan Out

3.4 Aftermaths

This has been an enormous challenge for both of us. We knew that it would be far from easy, but neither of us could see the coming obstacle and the amount of the work that has been done in order to get here. The topic is so broad that the most difficult thing was to cut the topic into right pieces and find the most important thing from entrepreneur's perspective. It was also challenging not to go too deep into different business areas, but to find the right level that would offer enough new, valid information to a reader.

We used advanced methods in communication and in composing the book. The book was written thoroughly in Google Docs, where both of composers could work online when ever they wanted and also simultaneously. We used Microsoft Messenger approximately twice a week to have virtual meetings about topics and readings. We also met face-to-face approximately every two weeks.

We make a good team, and we had worked together during the studies also before starting this thesis process. Still we had our growth as a team coming. Our team had shared goal and good communication abilities. We were very motivated about our project and willing to work hard.

4 Conclusions

The dominant economic situation - recession - is difficult time for all new business ideas, but this is the best possible time to invent something new and develop the old ones. It is time to tie the idea into a profitable business proportion and be prepared for the coming growth, because sooner or later the economics will turn to rise. Those, who have the best new business proposals, will make the most out of the wave of growth.

All entrepreneurs don't want growth, but they who want are motivated towards it.

The operational environment (both internal and external) and circumstances have their own demands to business and its growth. This inspired us to our research and composing work. We wanted to find out what have been written about the success and growth before and how we could compose a helpful book with a useful framework helping growth oriented wanna-be entrepreneurs in their first steps toward to desired exit goal.

"Success is getting what you want.

Happiness is wanting what you get."

~Dale Carnegie~

Successful entrepreneurs have been able to utilize the power of clear, shared vision - a harbor where the ship is heading or a dream destination where one want to be in future. These entrepreneurs have also mastered the innovative cash management or bootstrapping as well as they had good social skills to be able to persuade others to commit their venture.

Successful enterprises have systematic and well managed operations as well as purposeful and profitable innovation - they also can manage customers and create strategies. Talented people are critical to the success of any organization. It's important to retain the most valued human resources - most talented performers always get other offers.

There are many factors that affect on business success. Entrepreneur's personality and innovativeness are highlighted more and more nowadays. It depends on with whose eyes you view the factors. One says keys to success are in entrepreneur's vision, commitment and talent to focus and execute a superb plan. It may be the entrepreneur's talent to gather the management team, to execute business planning, managing money, marketing, managing people, business organization and entrepreneur's personal attributes. In addition ability to make a brand and maintain controlled growth, profitability, liquidity and solidity affect to success.



FIGURE 3. Puzzle of success

Growth and success are dependent on how every piece fulfills the puzzle; all blocks are tied to each other and have to be in balance.

When studying books and articles of talented, succeed and experienced businessmen we have found that entrepreneurs are innovative, motivated, committed visionaries and team builders who are passionate for what they do - and they do it profitable.

The reason for us to create a simple and useful roadmap - project enterprise-for growth oriented companies is to increase their know-how to commercialize the business idea and developing the growth strategy. It's for creating the idea from the early beginning all the way to desired exit phase helping the planning of operations to growth and to attract investors.

Different tools and their use are not much emphasized in business literature despite of their usefulness. We chose good tools that help readers to develop their ideas further, tools to broaden their point of view and in some cases to visualize things.

What we have been wondering along the whole project in trying to understand the process of thriving business is the meaning and the place of entrepreneur's personal life. Does an entrepreneur always have work for his or her business at the expense of the family life? It took many articles and books before we found the first advice for entrepreneurs to think about their families, too.

We believe that the best success both in business as well as in life will be made by planning and balancing between all important factors of life. That is one interesting object to research more. What is the balance between the personal life/ free time and work in successful entrepreneur's life? Also the future and its prediction are interesting. How to sense the weak signals most effectively?

Good planning is the base to understanding and crystallizing the whole picture of the enterprise's strategy and different operations. Creating credibility paying attention to reliable information and also to the presentation is crucial when seeking investors as well as customers and partners. We are managed to combine the knowledge and tools to a well planned project which objective is successful exit.

Using the right fuel and tools it's easier to make the vehicle going, the map and compass help to the right direction on the road!

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APPENDICES

Appendix 1: Book Drive Your Business to Success

Appendix 2: Entries and Phrases

Because we wanted to research the most important factors in doing successful business and find out which things are the most relevant in successful business comprehensively, we tried to find publications and articles about growth business with profitable or sustainable aspect. As entries we used among others terms:

- entrepreneurial success
- entrepreneurial growth
- sustainable business
- thriving business
- winning business
- business success stories
- succesful ventures
- the same in Finnish
- + collateral terms

We formed phrases like:

- Business and success and winning or thriving and strateg*
- business and success and stories
- business and success and strateg*
- business and thriv* and strateg*
- business and sustain* and strateg*
- business or success and (winning or thriving or strateg*)
- "winning business", "success stories"
- "successful business" AND strateg*
- "new venture" OR "new business" AND "planning"
- "new venture" OR "new business" AND "strateg*"
- business AND handbook OR manual OR guide

Appendix 3: Mindmap

